

PC JEWELLER LIMITED

CIN: L36911DL2005PLC134929

Regd. Office: 24/2708, Bank Street, Karol Bagh, New Delhi – 110 005

Phone: 011-47104810, Fax: 011-28720811

Corp. Office: C-54, Preet Vihar, Vikas Marg, Delhi – 110 092

Phone: 011-49714971, Fax: 011-49714972

Website: www.pcjeweller.com, E-mail: investors@pcjewellers.com



Postal Ballot Notice

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) for seeking your consent through Postal Ballot for the following Special Business:

- 1) To authorise the Board of Directors to borrow money in excess of aggregate of the paid up share capital of the Company and its free reserves but not exceeding ₹6,000 crores.
- 2) To authorise the Board of Directors to create charges, mortgages etc. in respect of aforesaid borrowings.
- 3) To authorise the Board of Directors to vary the terms of contracts or objects in Prospectus dated December 16, 2012.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and related particulars pertaining to Special Business is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors has appointed Shri Randhir Singh Sharma, Proprietor M/s R S Sharma & Associates, Company Secretaries, New Delhi, as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner.

The Company is also providing e-voting facility to its Members. E-voting is optional. Please read and follow the instructions on e-voting as enumerated in Notes to this Notice.

Special Business:

Item No.1:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the resolution passed in the 7th Annual General Meeting of the Company held on September 25, 2012 under Section 293(1)(d) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules thereof (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company including any Committee thereof (hereinafter referred to as the “Board”), to borrow from time to time and in any manner, any sum or sums of money (either in Indian Rupees or in Foreign Currency) for the purposes of the Company, with or without security and upon such terms and conditions as the Board may in its discretion think fit and in the interest of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed aggregate of the paid up share capital and free reserves of the Company provided that the total amount so borrowed by the Company and outstanding at any time (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), shall not exceed the sum of ₹6,000 crores (Rupees Six Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company.”

Item No.2:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the resolution passed in the 7th Annual General Meeting of the Company held on September 25, 2012 under Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules thereof (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company including any Committee thereof (hereinafter referred to as the “Board”), to create such charges, mortgages, hypothecations and pledge in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and on such terms and conditions as the Board may deem fit, on the whole or substantially the whole of the undertaking(s) of the Company, the movable and immovable properties of the Company, both present and future, in favour of Banks / Financial Institutions etc. and Trustees for the holders of debentures / bonds to be issued, if any, to secure rupee / foreign currency loans and / or other working capital facilities availed or proposed to be availed together with interest thereon and such other costs, charges, expenses and other money payable by the Company, as per the terms and conditions of the issue of bonds / debentures, if any, or the loan agreements entered into or proposed to be entered into by the Company, up to ₹6,000 crores (Rupees Six Thousand Crores only) that the Board is authorised to borrow.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company.”

Item No.3:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 27 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (“Board”) to vary the terms of contracts or objects referred to in the Prospectus dated December 16, 2012 (“Prospectus”), filed by

the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana, New Delhi, including change of locations of some of the remaining showrooms to be established from the proceeds of Initial Public Offering (IPO) of equity shares in pursuance of the Prospectus and further extension of expected period of establishment, as explained in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company."

By order of the Board of Directors
For **PC Jeweller Limited**

Place: New Delhi
Date: July 28, 2014

Sd/-
(VIJAY PANWAR)
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above mentioned Special Business is annexed hereto.
2. The Notice is being sent to all the Members, whose names appear in the Register of Member / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL), as at the close of business hours on Friday, August 1, 2014. Notice is also available on the website of the Company at www.pcjeweller.com in the Investor section.
3. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as at the close of business hours on **Friday, August 1, 2014**.
4. Members who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiatives of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and to others by permitted mode along with Postal Ballot Form and self-addressed business reply envelope. Members have option to vote either through e-voting or through Postal Ballot Form.
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its Members through e-voting platform provided by Karvy Computershare Private Limited, enabling them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

A. For Members receiving Notice of Postal Ballot by e-mail:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. User ID & Password) mentioned in your e-mail / Postal Ballot Form. Your Folio No./DP ID Client ID will be your User ID.

User ID	For Members holding shares in Demat Form: a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID b) For CDSL: 16 digits beneficiary ID For Members holding shares in Physical Form: Event no. (EVEN) followed by Folio Number registered with the company
Password	Your Unique password is mentioned in the e-mail / Postal Ballot Form.
Captcha	Enter the Verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) After entering these details appropriately, click "LOGIN".
- iv) You will now reach Password Change Menu, wherein you are required to mandatorily change your password. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on first login. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) If you are already registered with Karvy Computershare Private Limited for e-voting, you can use your existing User-ID and Password for casting your vote.
- vii) On successful login, system will prompt to select the 'EVENT' i.e. '**PC Jeweller Limited**'.
- viii) On the voting page, you will see resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares as on the cut-off date (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
- ix) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii) Corporates/Institutional Members (i.e. other than individuals, HUF's, NRI's etc.) are required to send scanned certified true copy (PDF format) of the relevant Board resolution / Authority Letter together with attested specimen signature of the duly authorized signatory(ies) to the Scrutinizer at the e-mail ID rss.scrutinizer@gmail.com with copy to evoting@karvy.com. The scanned image of the Board resolution should be in the naming format "Corporate Name_Event No."

B. For Members receiving Notice of Postal Ballot by Post:

i) Initial Password is provided at the bottom of Postal Ballot Form in the following format:

EVEN (e-Voting Event Number)	User ID	Password / PIN

ii) Please follow all steps as mentioned in (A) above, to cast vote.

6. In case of any queries, you may refer Frequently Asked Questions (FAQs) on e-voting and User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited on toll free No. 1-800-34-54-001.

7. The e-voting period will commence from August 15, 2014, at 9:00 A.M. and end on September 13, 2014 at 6:00 P.M. The e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter.

8. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download the Postal Ballot Form from the link <https://evoting.karvy.com> or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Unit: PC Jeweller Limited, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, and send the duly filled and signed form to the Scrutinizer.

9. Members desiring to exercise vote by Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form and return the same to the Scrutinizer duly completed and signed in the enclosed self-addressed business reply envelope on or before 6:00 P.M. on September 13, 2014.

10. Members can opt for only one mode of voting i.e. either by Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote by Postal Ballot Form also and vice versa. However, if Members cast their vote through Postal Ballot Form as well as by e-voting, then the voting through Postal Ballot Form shall prevail and voting done by e-voting will be treated as invalid.

11. Members may contact Karvy Computershare Private Limited or Shri Vijay Panwar, Company Secretary, for any grievances connected with voting by Postal Ballot including voting by electronic means.

12. The Scrutinizer will submit his report after completion of the scrutiny to the Chairman / Managing Director and the result of the Postal Ballot shall be declared by the Managing Director or the Company Secretary on September 20, 2014 at 5:00 P.M. at the Corporate office of the Company. The resolutions will be taken as passed effectively on and from the date of announcement of the Postal Ballot result, if the result of Postal Ballot indicates that the requisite majority of the Members had assented to the resolutions. The result of Postal Ballot shall also be announced through newspaper advertisement and also be displayed on the website of the Company www.pcjeweller.com.

13. The relevant documents are available for inspection by the Members at the Corporate Office of the Company between 11:00 A.M. to 4:00 P.M. on all working days up to the date of declaration of the result of Postal Ballot.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item Nos.1 & 2:

At the 7th Annual General Meeting of the Company held on September 25, 2012, the Members had accorded consent to the Board (i) to borrow any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹4,000 Crores (Rupees Four Thousand Crores only); and (ii) to create charges, mortgages etc. to secure the aforesaid borrowings.

Since then the operations of your Company increased substantially. Considering the Company's future growth plans and to meet its growing funds requirement, it is proposed to increase the borrowing powers of the Board from ₹4,000 crores to ₹6,000 crores.

According to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a company shall not except with the consent of the company by a special resolution borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

Further, the proposed borrowings by the Company, if required, is to be secured by charges, mortgages etc. on the whole or substantially the whole of the undertaking(s), all the movable and immovable properties of the Company, both present and future, in favour of the Banks / Financial Institutions / Debenture Trustees etc. in such form and manner as may be determined by the Board from time to time, in consultation with them.

The charges / mortgages on the whole or substantially the whole of the undertaking(s), the movable and immovable properties of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

According to Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a company shall not except with the consent of the company by a special resolution sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

The Board of Directors recommends the resolutions at Item Nos. 1 & 2 for your approval by way of Special Resolutions.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 1 & 2 respectively of this Notice, except to the extent of their respective shareholdings in the Company.

Item No.3:

According to the '**Objects of the Issue**' as mentioned in the Prospectus dated December 16, 2012 ("Prospectus"), your Company intended to establish 20 new retail showrooms in 20 cities (Ahmedabad, Baroda, Bhubaneswar, Coimbatore, Jabalpur, Nagpur, Sri Ganganagar, Bangalore, Chennai, Guwahati, Hyderabad, Jaipur, Jalandhar, Jammu, Kolkata, Mangalore, Mumbai, Patna, Ranchi & Surat) by fiscal 2014. However, the expected period for establishment of these showrooms was extended up to September 30, 2014 by way of Special Resolution passed in the 8th Annual General Meeting of the Company held on September 18, 2013.

The Gross Proceeds of the issue was ₹601.29 crores. The Net Proceeds of the Issue (i.e. ₹563.29 crores) after excluding Issue related expenses (i.e. ₹38 crores) was to be utilised for financing establishment of new showrooms (i.e. ₹516.85 crores) and General Corporate Purposes (i.e. ₹46.44 crores). The Company has fully utilised amount reserved for General Corporate Purposes. As on date, the Company has opened 11 showrooms (Ahmedabad, Baroda, Jabalpur, Sri Ganganagar, Bangalore, Hyderabad, Mangalore, Ranchi, Guwahati, Jammu and Patna), out of 20 showrooms as mentioned in the Prospectus. The extent of achievement of proposed objects till date is 55% (in terms of total number of showrooms to be opened) and the Company has already entered into a lease agreement for its Kolkata showroom. The total Net Proceeds of the issue already utilised for the Objects of the Issue, as mentioned in the Prospectus is ₹274.33 crores and the balance unutilised amount of Net Proceeds amounting to ₹288.96 crores is temporarily invested in mutual funds and fixed deposits, towards Interim Use of Funds.

The Company is in the process of identifying and finalising the specific locations for opening the remaining showrooms, as per the Objects of the Issue. However, the Company's strategy to enter a particular market or open a showroom at a location depends on various factors including competition, customer preferences in the area and obtaining suitable premises on a lease or leave and license basis at reasonable rentals for such showrooms.

Based on the market analysis and other factors, the management is of the view that opening of new showrooms at Bareilly, Mathura, Pune and Varanasi would be more profitable than opening new showrooms at Chennai, Coimbatore, Jalandhar and Mumbai, as specified in the Prospectus and it will also be in the interest of both the Company as well as its Members.

Due to proposed changes of locations and also in view of the factors mentioned herein before, it may be possible that the expected period of establishment i.e. September 30, 2014 may not be adhered to. Hence, the Board is of the view that the expected period of establishment for remaining showrooms be further extended up to September 30, 2015.

In terms of Section 27 of the Companies Act, 2013 read with rule 7 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company shall not vary the terms or objects referred to in the Prospectus, except subject to the approval of, or except subject to an authority given by the Company by way of special resolution through Postal Ballot. Accordingly, approval of the Members is sought to confer authority to the Board for varying the terms or objects of the Prospectus i.e. for change of locations as well as further extension of period of establishment for remaining showrooms as mentioned in the preceding paras.

The delay in opening of remaining showrooms may adversely affect sales and the profitability of the Company. However, the Company is able to open stores in alternate locations other than those specified in the Prospectus. This will help in mitigating the risks to a very large extent.

The Board of Directors recommends the resolution for your approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

By order of the Board of Directors
For PC Jeweller Limited

Sd/-

(VIJAY PANWAR)
Company Secretary

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars (vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively) and allowing paperless compliances by Companies through electronic mode. To further support this initiative Members, whose e-mail ID's have not been registered so far, are requested to register their e-mail ID's with their respective Depository Participants, in respect of holdings in demat form and with Karvy Computershare Private Limited (RTA), in respect of shares held in physical form.